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UNCLAS SECTION 01 OF 03 YEREVAN 002008

SIPDIS

SENSITIVE

DEPARTMENT FOR EUR/CACEN

E.O. 12958; N/A
TAGS: <u>PGOV PREL PHUM AJ AM</u>
SUBJECT: CONGRESSMAN HASTINGS'S VISIT TO ARMENIA

REF: YEREVAN 1994

Sensitive but unclassified, please protect accordingly.

SUMMARY

11. (SBU) Congressman Alcee Hastings (President of the OSCE Parliamentary Assembly) visited Armenia November 7-9 as the country was preparing for a constitutional referendum on November 27 and already looking ahead to parliamentary elections in 2007 and presidential elections in 2008. During meetings with National Assembly Speaker Arthur Baghdasarian, Foreign Minister Vartan Oskanian, Head of the Yerevan OSCE Office Vladimir Pryakhin, political representatives, and civil society leaders, Hastings emphasized the importance of free and fair elections and made the point that the constitutional amendments represented a positive step forward for Armenia. In his meetings and with the press, Hastings called on Armenia to invite OSCE observers to monitor the November 27 referendum (reftel). Hastings also discussed the elections in Azerbaijan, the closure of the Turkish border, Armenian Iranian relations, and the Nagorno-Karabakh conflict. END SUMMARY.

HASTINGS AND GOAM LEADERS PRAISE THE AMENDMENTS...

- ${ extttled{1}}{ extttled{2}}$ 2. (SBU) Parliament Speaker Baghdasarian agreed with Hastings that, while the proposed amendments were not the best possible, it had taken more than one year of debate to agree to them and they had the approval of the international community. FM Oskanian also noted that although the reforms are not ideal, they are a major step forward in all aspects. Oskanian remarked that he could not predict whether the referendum would pass, however, as the number of votes necessary for approval was relatively high, and the opposition was united against the changes.
- ...WHILE CIVIL SOCIETY LEADERS CRITICIZE THE REFORMS
- 13. (SBU) Armenian civil society leaders, particularly those who supported the opposition, complained that the Kocharian Administration was an illegitimate authority bent on maintaining national control and international favor through superficial reforms. Some civil leaders argued the proposed constitutional amendments improved the current constitution, others criticized the text as flawed, but all -- with the exception of the Armenian Human Rights Ombudsman -- said they believed a new constitution would not change the Administration's authoritarian ways.
- 14. (SBU) Hastings, who emphasized USG support for measured democratic reforms, said the Council of Europe's aggressive "overnight democratization" push did not consider Armenian political reality. He argued that opposing generally acceptable constitutional amendments in order to spite the authors, the Kocharian Administration, was counterproductive. The lone GOAM official at the table, Armenian Ombudsman Larisa Alaverdyan, avoided rhetoric critical of the government or the constitutional amendments and, without success, tried to focus the conversation on offtopic local eminent domain issues.

OSCE HEAD: PUBLIC INDIFFERENCE WILL DEFEAT REFERENDUM

15. (SBU) Head of the OSCE Office in Yerevan, Vladimir Pryakhin, stated that although his office was doing its best to support the proposed constitutional reforms, the necessary number of voters would not go to the polls on November 27. According to Pryakhin, Armenians were indifferent to the amendments, largely due to poverty in the country. Pryakhin noted that while the total Armenian Government budget was less than USD 1 billion, Armenians received more than USD 700 million in remittances, and thus relied more on their relatives than on the government for their well-being. According to Pryakhin, this had created political apathy within Armenian society.

16. (SBU) Pryakhin said that, while he did not expect the referendum to be centrally rigged, he did anticipate that voting irregularities would occur in some regions due to the voting culture still present in the country. Pryakhin again cited the issue of poverty as being a major cause of this phenomenon, pointing out that the average salary in Armenia was just over USD 80 per month, causing citizens to be more willing to sell their votes.

BAGHDASARIAN WANTS ARMENIA JUDGED ON ITS OWN MERITS

17. (SBU) Parliament Speaker Baghdasarian told Hastings that the South Caucasus should not be seen as one unit, since Armenia could not be lumped together with neighbors Azerbaijan and Georgia. Baghdasarian claimed that while Armenia and Georgia were making democratic advances towards Europe, Azerbaijan was headed towards Central Asia; when Armenia was placed in the same category as Azerbaijan, this decreased Armenia's incentives to make progress towards democracy. Baghdasarian pointed to the EU's "European Neighborhood Policy" as an example of this. (Note: The European Union has slowed down the launch of its New Neighborhood Policy with all three South Caucasus countries as a result of Cyprus's objection to Azerbaijani flights to Northern Cyprus. The EU has stated that it would like to launch the policy with all three South Caucasus countries at the same time. It has also stated, however, that if Cyprus's issue with Azerbaijan was not solved by the end of the year, the organization would go ahead and begin relations with Armenia and Georgia. End Note.)

OSKANIAN SUPPORTS ENGAGEMENT, NOT CONFRONTATION, WITH IRAN

18. (SBU) FM Oskanian said he supported engagement rather than confrontation with Iran. According to Oskanian, the Iranian President's recent statement regarding Israel was unfortunate, but Armenia's relationship with Iran was very good and had historically been very good. Oskanian remarked that, due to Armenia's lack of East-West access, Iran had gained more significance. Oskanian noted that Iran's uranium enrichment program being referred to the Security Council would put Armenia in an extremely difficult situation. According to the FM, while 80 percent of Armenia's trade went through Georgia, Iran was also an important trade partner, and applying sanctions would have a negative psychological impact on the population, as this would leave Armenia with only one trade outlet.

GOAM OFFICIALS EXPRESS OPTIMISM ABOUT NAGORNO-KARABAKH

- 19. (SBU) FM Oskanian expressed optimism that progress on the Nagorno-Karabakh conflict might be achieved in 2006. Oskanian stated that four critical issues exist regarding Nagorno-Karabakh, and Armenia and Azerbaijan had come to an agreement on two of these issues. On the remaining two, some understanding had been achieved, but the positions of Armenia and Azerbaijan still differed. Oskanian stated that if the two sides could move closer together on these issues during the first quarter of 2006, he believed it would be possible to achieve progress by mid-2006, which was a goal of the Minsk Group. When asked how the Azerbaijani election might impact the resolution of the Nagorno-Karabakh conflict, Oskanian remarked that if President Aliyev were weakened, this would in turn weaken the Azerbaijani President's ability to compromise over Nagorno-Karabakh.
- 110. (SBU) During a lunch with political leaders, Ambassador Evans argued that the first half of 2006 was a window when progress could be made in resolving the Nagorno-Karabakh conflict. Vahan Hovhannisyan, Deputy Chairman of the National Assembly, stated that he was not as optimistic, but that he also saw reason for hope that progress could be made in February of 2006. He noted that Armenia realized the Nagorno-Karabakh conflict was not a zero-sum game, and that when he was asked what Armenia would be willing to give up for peace, "he knew the answer," even though as a representative of the Dashnak Party he did not agree with it. When his Azerbaijani colleagues were asked the same question, Hovhannisyan claimed they did not have an answer. Hovhannisyan agreed with Ambassador Evans that the sooner the conflict was solved, the better for Armenia, especially considering Azerbaijan's oil resources and economic growth. He remarked that had the conflict been solved before the Baku-Tbilisi-Ceyhan pipeline was constructed, the pipeline would have been built through Armenia.

OSKANIAN CRITICIZES THE CLOSURE OF THE TURKISH BORDER

111. (SBU) FM Oskanian criticized Turkey for not opening its border with Armenia, stating that in Europe there are hardly two neighboring countries that had not had historical disagreements or territorial claims, but that these countries still had open borders and diplomatic relations.

Oskanian noted that he was not asking Turkey to forget the past, but rather to open the border, establish diplomatic relations, and then the two sides could discuss their disagreements. Oskanian remarked that he hoped the European Union would pressure Turkey to open the border. He also said that he believed Turkish intellectuals were now freer to discuss the "Armenian genocide," and that he believed Turkish society would continue to become more open.

EVANS